

SAM – INFORMATION TECHNOLOGY

**General Procurement Procedures
Procurement of Goods and Services
(Department of General Services–Procurement)**

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INTRODUCTION (Revised 11/06)

5200

This chapter provides policy direction applicable to information technology (IT) procurements pursuant to Public Contract Code section 12100 et seq. IT as defined in SAM Sections 4819 through 4819.42 includes telecommunications goods and services.

RESPONSIBILITIES AND AUTHORITY (Revised 09/10)

5200.5

The Department of Finance (Finance) is responsible for review and approval of IT project proposals and their associated funding. Departments must obtain required approval as appropriate before an IT procurement cycle may begin.

The Department of General Services (DGS) has statutory responsibility for procurement of all IT goods and services, including approval of the acquisition methods used and the establishment and interpretation of related procedures. The Procurement Division (PD) was established within the DGS to provide oversight, guidance, and direction to departments in all aspects of IT procurement. Departments are required to participate during the procurement process.

The Office of the State Chief Information Officer (OCIO) is responsible for IT Procurement Policy which is defined as what is to be purchased and by whom within any agency or department.

The DGS is responsible for the overarching procurement policy that sets forth the methods and procedures to be used to procure all goods and services in the State, including IT goods and services.

Pursuant to Public Contract Code section 12104(a), the DGS/PD has established the State Contracting Manual (SCM), Volume 3. SCM Volume 3 contains IT acquisition policies, procedures, and methods and is available on the Internet at <http://www.dgs.ca.gov/pd/Resources/publications/SCM3.aspx>. The DGS/PD, Office of Policies, Procedures and Legislation (OPPL), is the entity responsible for the development, implementation, and maintenance of SCM Volume 3.

The DGS also has statutory authority to delegate IT purchasing authority to those departments demonstrating the capability to make purchases that adhere to State statutes, regulations, policies, and procedures. This program is described in SCM Volume 3.

DEPARTMENT OF FINANCE REVIEW OF PROCUREMENT DOCUMENTS (Revised 06/07)

5211

Finance may decide to review specifications in procurement documents before they are advertised to ensure that the specifications are consistent with the functional specifications and system design in Feasibility Study Reports (FSR) or Special Project Reports (SPR) for the projects. Finance's decision to review procurement documents will be based on whether it believes a project requires special oversight during the procurement process. Procurement documents that Finance determines are subject to its oversight under this section may not be released until Finance has approved their release. Finance will inform departments of its intention to review the procurement documents for a project in its approval letters for FSRs and SPRs.

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UNIFORM STANDARDS

5230

(New 06/07)

Uniform standards are applicable to acquisitions of IT goods and/or services pursuant to Public Contract Code section 12100 et seq., regardless of dollar amount, type of IT goods/services, and acquisition approach. The following standards shall apply throughout the IT procurement process:

- Acquisitions shall be conducted in a manner consistent with applicable laws, regulations, policies, and procedures.
- Acquisitions shall be conducted to advance the public policy purpose of the State program that the technology will serve.
- Acquisitions shall be conducted in a professional manner that promotes direct, straightforward, and cooperative communication with the supplier community.
- Contracting opportunities shall be enhanced, whenever possible, for eligible certified small businesses and Disabled Veteran Business Enterprises (DVBES).
- Acquisitions and projects shall comply with Americans with Disabilities Act (ADA) requirements.
- New systems should be conceived in terms of a solution.
- Regardless of the acquisition approach, the procurement process shall consist of three stages:
 - Acquisition Planning
 - Acquisition Phase
 - Post-award Activity

ACQUISITION PLANNING

5230.1

(New 06/07)

Elements of the Acquisition Planning stage include:

- Defining the program need
- Assessing operational needs
- Selecting the acquisition method
- Obtaining approvals

1. Defining the Program Need

For all IT acquisitions, these steps shall be followed:

- Define the business need that solutions are to address.
- Determine whether the acquisition is justified.
- Verify that the goods and/or services to be acquired are IT.

Additional issues and requirements for defining the need are discussed in Chapter 1 of SCM Volume 3.

In planning a new IT system procurement the focus should be towards a “solution” approach so that the State may consider and select from a potential array of IT goods and/or services to meet the public policy and business needs of a State program, rather than specifying a particular product design.

2. Assessing Operational Needs

In assessing operational needs, these steps shall be followed:

- Consider fiscal and budgetary issues.
- Assess the timeframe in which the acquisition must be completed and determine the schedule for delivery and/or implementation.
- Assess the impact on physical facilities.

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ACQUISITION PLANNING

5230.1 (Cont. 1)

(New 06/07)

- Consider the risks associated with the procurement and the goods and/or services to be acquired.
- Consider risk protection strategies that will both protect the State and encourage competition.
- Determine whether there are available sources of the goods and/or services to be acquired (including existing State sources and contracts), and whether there is competition in the marketplace.

Additional issues and requirements for defining the need are discussed in Chapter 1 of SCM Volume 3.

3. Selecting the Acquisition Method

In selecting the acquisition method, these rules shall be followed:

- Use competitive means in all instances, unless the NCB process, emergency process, or an existing source is used in acquisitions of \$5,000 or more. Requirements are in Chapter 3 of SCM Volume 3.
- Assess whether the acquisition can be made through existing sources, such as Leveraged Procurement Agreements (See SAM 5291), community-based rehabilitation programs, interagency agreements, or State surplus. See Chapter 1 of SCM Volume 3 for additional information.

4. Obtaining Approvals

For many IT acquisitions, it is necessary to obtain approvals before starting the procurement process. These approvals shall be obtained, as applicable, before releasing solicitation or purchase documents:

- Verify the authority to initiate the acquisition and to sign the resulting purchase document.
- Obtain and/or verify necessary approvals or delegated authority from the Department of Finance (DOF).
- If the acquisition involves telecommunications goods and/or services, verify necessary authority or approvals from the DGS Telecommunications Division (TD) or the Department of Technology Services (DTS), Statewide Telecommunications and Network Division (STND).
- If the acquisition is being conducted via the NCB process or requires DGS approval of an IT Procurement Plan (ITPP), verify there is an approved NCB request and/or ITPP prior to releasing solicitation or purchase documents.
- If the acquisition is being conducted using a Request for Proposals (RFP) solicitation document, prior to release the RFP must be reviewed by the DGS Office of Legal Services.

Further details on required approvals are contained in Chapter 1 of SCM Volume 3.

ACQUISITION PHASE

5230.2

(New 06/07)

The Acquisition Phase is when the acquisition is conducted. Acquisitions shall be conducted in a manner that complies with State policies and meets the State's needs. In conducting acquisitions, the State shall follow these requirements:

- Acquisition documents shall clearly set forth the rules and authority governing the acquisition.
- Competitive solicitation documents shall clearly set forth the:
 - Business and technical requirements
 - Evaluation methodology to be used

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ACQUISITION PHASE

5230.2 (Cont. 1)

(New 06/07)

- Applicable protest procedures
 - Contract award procedures
- If the acquisition is for a personal services contract pursuant to Government Code §19130(a), the acquiring department must notify the State Personnel Board pursuant to Government Code §19131 prior to contract execution.
- Protests shall be handled in a manner consistent with law, regulation and policy. Requirements for protests are in Chapter 6 of SCM Volume 3.

Various chapters of SCM Volume 3 spell out requirements and procedures for specific acquisition approaches and methods.

POST-AWARD ACTIVITY

5230.3

(New 06/07)

Post-award Activity includes elements such as contract management, project management, and reporting. Effective contract and project management ensures that the State and its contractors honor their agreements and deal with one another in good faith. Following the award of the contract, the acquiring department shall:

- Adhere to the provisions of the contract and comply with statutory requirements, policies and procedures.
- Enforce contractual requirements.
- Follow plans for project management and risk management, if applicable.
- Manage implementation of the goods and/or services in accordance with the level of project oversight directed by DOF.
- Fulfill all reporting requirements.

SCM Volume 3 contains additional information related to Post-award Activity.

PRINCIPLES FOR IT PROCUREMENT

5230.4

(New 06/07)

The general principles for IT procurement are as follows:

- The State obtains IT goods and/or services that meet its needs and advance its policy goals, in a timely fashion, within budget, and with the least possible administrative burden.
- Procurements are conducted with integrity and in a manner consistent with the State's requirements and policies, including its commitment to small businesses and Disabled Veteran Business Enterprises (DVBES).
- The State harnesses its expertise and purchasing power to obtain the best values available in the marketplace.
- The State communicates clearly and consistently from procurement to procurement with interested parties so that they understand its goals.
- The benefits of competition, which include obtaining a broad array of solutions to program and policy challenges, are maximized.
- The State is appropriately protected from risk.

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PUBLIC POLICY CONSIDERATION

5230.5

(New 06/07)

Consideration shall be given to each of the following priorities to advance public policy for IT procurements:

- Business need
- Business requirements (necessary or desirable)
- Functionality
- IT environment

EXEMPTION

5230.6

(New 06/07)

Procurements necessary to meet the requirements of the Hawkins Data Center in the Department of Justice are exempt from the requirements of Section 5230 Uniform Standards.

LEVERAGED PROCUREMENT AGREEMENTS

5291

(Revised 11/06)

There are instances when many State departments require goods or services to perform essentially the same functions. Individual procurements would require duplicative effort and extend lead times.

Leveraged Procurement Agreements (LPAs) combine State departments' requirements for the same items or similar items thus providing standardization and leveraging the State's buying power. LPAs also enable streamlined purchases by removing repetitive, resource intensive, costly and time consuming solicitation processes by departments.

Types of LPAs include Master Agreements, Statewide Contracts, State Price Schedules, Software Licensing Programs, and the California Multiple Award Schedules. Unless identified as a mandatory contract, the use of LPAs is optional. State departments must have approved purchasing authority for the applicable LPA category in order to place orders against an agreement in that category.